

United States Bankruptcy Court						Voluntary Petition	
Northern District of Alabama							
Name of Debtor (if individual, enter Last, First, Middle): Dixie Pellets, LLC				Name of Joint Debtor (Spouse) (Last, First, Middle):			
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):				All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):			
Last four digits of Soc. Sec./Complete EIN or other Tax I.D. No. (if more than one, state all): 205940674				Last four digits of Soc. Sec./Complete EIN or other Tax I.D. No. (if more than one, state all):			
Street Address of Debtor (No. & Street, City, State): 2100 Third Avenue North, Suite 600 Birmingham, AL 35203				Street Address of Debtor (No. & Street, City, State): <div style="text-align: right;">ZIP CODE</div>			
County of Residence or of the Principal Place of Business: Jefferson				County of Residence or of the Principal Place of Business:			
Mailing Address of Debtor (if different from street address): <div style="text-align: right;">ZIP CODE</div>				Mailing Address of Joint Debtor (if different from street address): <div style="text-align: right;">ZIP CODE</div>			
Location of Principal Assets of Business Debtor (if different from street address above): 1256 Dallas County Road 78 Selma, AL 36703-8309 <div style="text-align: right;">ZIP CODE 36703-8309</div>							
Type of Debtor (Form of Organization) (Check one box.) <input type="checkbox"/> Individual (includes Joint Debtors) <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and provide the information requested below.) State Type of entity:		Nature of Business (Check all applicable boxes) <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input type="checkbox"/> Nonprofit Organization qualified under 15 U.S.C. § 501(c)(3)		Chapter or Bankruptcy Code Under Which the Petition is Filed (Check one box) <input type="checkbox"/> Chapter 7 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 9 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding <input type="checkbox"/> Chapter 13			
Filing Fee (Check one box) <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Filing Fee to be paid in installments (Applicable to individuals only) Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A <input type="checkbox"/> Filing Fee waiver requested (Applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.		Chapter 11 Debtors Check one box: <input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input checked="" type="checkbox"/> Debtor is not a small business debtor as defined under 11 U.S.C. § 101(51D). Check if: <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts owed to non-insiders or affiliates are less than \$2 million.					
Statistical/Administrative Information <input type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input checked="" type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.							THIS SPACE IS FOR COURT USE ONLY
Estimated Number of Creditors							
Estimated Assets							
Estimated Debts							

Voluntary Petition <i>(This page must be completed and filed in every case)</i>		Name of Debtor(s): Dixie Pellets, LLC	
Prior Bankruptcy Case Filed within Last 8 Years (If more than one, attach additional sheet)			
Location Where Filed:		Case Number:	Date Filed:
Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor (If more than one, attach additional sheet)			
Name of Debtor:		Case Number:	Date Filed:
District:		Relationship:	Judge:
Exhibit A (To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11) <input type="checkbox"/> Exhibit A is attached and made a part of this petition.		Exhibit B (To be completed if debtor is an individual whose debts are primarily consumer debts) I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each chapter. I further certify that I delivered to the debtor the notice required by § 342(b) of the Bankruptcy Code. X _____ Signature of Attorney for Debtor(s) Date	
Exhibit C Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety? <input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition <input checked="" type="checkbox"/> No		Certification Concerning Debt Counseling By Individual/Joint Debtor(s) <input type="checkbox"/> I/we have received approved budget and credit counseling during the 180-day period preceding the filing of this petition. <input type="checkbox"/> I/we request a waiver of the requirement to obtain budget and credit counseling prior to filing based on exigent circumstances. (Must attach certification describing)	
Information Regarding the Debtor (Check the Applicable Boxes) Venue (Check any applicable box)			
<input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.			
<input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.			
<input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.			
Statement by a Debtor Who Resides as a Tenant of Residential Property <i>Check all applicable boxes.</i>			
<input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.) <div style="text-align: center;"> _____ (Name of landlord that obtained judgment) </div> <div style="text-align: center;"> _____ (Address of landlord) </div>			
<input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and			
<input type="checkbox"/> Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.			

(Official Form 13 (10/05))		FORM B1, Page 3
Voluntary Petition <i>(This page must be completed and filed in every case.)</i>		Name of debtor(s): Dixie Pellets, LLC.
Signatures		
<p>Signature(s) of Debtor(s) (Individual/Joint)</p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct.</p> <p>[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.</p> <p>[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by § 342(b) of the Bankruptcy Code.</p> <p><u>X</u> _____ Signature of Debtor</p> <p><u>X</u> _____ Signature of Joint Debtor</p> <p>_____ Telephone Number (if not represented by attorney)</p> <p>_____ Date</p>	<p>Signature of a Foreign Representative</p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.</p> <p>(Check only one box.)</p> <p><input type="checkbox"/> I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by § 1515 of title 11 are attached.</p> <p><input type="checkbox"/> Pursuant to § 1511 of title 11, United States Code, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.</p> <p><u>X</u> _____ (Signature of Foreign Representative)</p> <p><u>X</u> _____ (Printed Name of Foreign Representative)</p> <p>_____ Date</p>	
<p>Signature of Attorney</p> <p><u>X</u> <u>Jay R. Bende</u> _____ Signature of Attorney for Debtor(s)</p> <p><u>Jay R. Bende</u> _____ Printed Name of Attorney for Debtor(s)</p> <p><u>Bradley Arant Boult Cummings, LLP</u> _____ Firm Name</p> <p><u>1819 Fifth Avenue North</u> _____ Address</p> <p><u>Birmingham, AL 35203-2104</u> _____ Address</p> <p><u>205-521-8645</u> _____ Telephone Number</p> <p><u>September 13, 2009</u> _____ Date</p>	<p>Signature of Non-Attorney Petition Preparer</p> <p>I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation, and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. § § 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19B is attached.</p> <p>_____ Printed Name and title, if any, of Bankruptcy Petition Preparer</p> <p>_____ Social Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)</p> <p>_____ Address</p> <p><u>X</u> _____</p> <p>_____ Date</p> <p>Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose social security number is provided above.</p> <p>Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:</p> <p>If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.</p> <p><i>A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. § 110; 18 U.S.C. § 156.</i></p>	
<p>Signature of Debtor (Corporation/Partnership)</p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.</p> <p>The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p><u>Patrick E. Molony</u> _____ As Executive Vice President of Dixie Pellets, LLC</p> <p><u>Patrick E. Molony</u> _____ Printed Name</p> <p><u>September 13, 2009</u> _____ Date</p> <p>_____ Printed Name</p> <p>_____ Date</p>		

**ACTION BY WRITTEN CONSENT OF THE MANAGER
OF DIXIE PELLETS, LLC**

The undersigned, being the sole manager (the "Manager") of Dixie Pellets, LLC, an Alabama limited liability company (the "Company"), does hereby make the following recitals and adopt the following resolutions by this action by written consent:

WHEREAS, due to an unexpected working capital shortfall, the Company determined to cease operations at its sole manufacturing plant in Selma, Alabama earlier this month;

WHEREAS, the Company is currently unable to pay its debts as they become due and is unable to perform its obligations as they become due under that certain Loan Agreement (the "Loan Agreement") dated May 12, 2008, by and among the Company, Calyon New York Branch as Administrative Agent (the "Administrative Agent"), and the lenders party thereto from time to time (the "Lenders"); and

WHEREAS, after considered review, the Manager has made the informed determination that it is in the best interests of the Company, its creditors, and equity holders to seek relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code") for the Company.

NOW, THEREFORE, BE IT RESOLVED, that the Manager hereby finds, determines and concludes that, in its business judgment, it is desirable and in the best interests of the Company, its creditors, equity holders, and other interested parties that a petition be filed for the Company seeking relief under the provisions of chapter 11 of the Bankruptcy Code; and it is further

RESOLVED that the Company's President, Wayne B. Nelson, Executive Vice President, Patrick E. Molony, or either of them, or any person or persons so designated by the Manager (collectively, the "Officers"), be, and each hereby is, authorized and directed on behalf of the Company to execute and verify petitions in the name of the Company under chapter 11 of the Bankruptcy Code and to cause the same to be filed in the United States Bankruptcy Court for the Northern District of Alabama (the "Bankruptcy Court"), or in such other venue as the Manager may determine, in such form as the Officer executing said petitions on behalf of the Company shall determine and at such time as directed by the Manager; and it is further

RESOLVED that the Officers or any one of them be, and each hereby is, authorized, on behalf of the Company to execute and file (or direct others to do so on their behalf as provided herein) all necessary documents, including, without limitation, all petitions, affidavits, schedules, motions, lists, applications, pleadings and other papers, and in that connection to employ and retain all assistance by legal counsel, accountants or other professionals and to take any and all action which they deem necessary and proper in connection with the chapter 11 cases, with a view to the successful prosecution of such cases; and it is further

RESOLVED that the law firm of Bradley Arant Boult Cummings LLP, One Federal Place, 1819 Fifth Avenue North, Birmingham, Alabama, 35203, be, and hereby is, employed under general retainer as attorneys for the Company in its chapter 11 cases; and it is further

RESOLVED that all acts lawfully done or actions lawfully taken by any Officers to seek relief under chapter 11 of the Bankruptcy Code or in connection with the chapter 11 cases, or any matter related thereto, be, and hereby are, adopted, ratified, confirmed and approved in all respects as the acts and deeds of the Company; and it is further

RESOLVED that the Company as a debtor and debtor-in-possession under chapter 11 of the Bankruptcy Code be, and it hereby is, authorized to borrow funds from a lender or lenders as any Officer deems appropriate, and obtain the use of cash collateral in such amounts, from such lender or lenders (including the Administrative Agent and the Lenders) and on such terms as may be approved by any one or more of the Officers as reasonably necessary for the continuing conduct of the affairs of the Company and grant security interests in and liens upon all or substantially all of the Companies' assets as may be deemed necessary by any one or more of the Officers in connection with such borrowings or the use of such cash collateral; and it is further

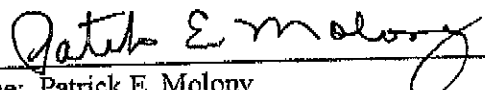
RESOLVED that the Officers be, and each of them hereby is, authorized and empowered to execute and deliver for and on behalf of the Company, as a debtor and debtor-in-possession, such agreements, instruments and any and all other documents and amendments necessary or appropriate to facilitate the transactions contemplated by the foregoing resolution, containing such provisions, terms, conditions, covenants, warranties and representations as may be deemed necessary or appropriate by the Officer or Officers so acting; and it is further

RESOLVED that the Officers be, and each of them, with full authority to act without the others, hereby is, authorized, in the name and on behalf of the Company, to take or cause to be taken any and all such further action and to execute and deliver or cause to be executed or delivered all such further agreements, documents, certificates and undertakings, and to incur all such fees and expenses as in their judgment shall be necessary, appropriate or advisable to effectuate the purpose and intent of any and all of the foregoing resolutions.

IN WITNESS WHEREOF, the undersigned, constituting the sole manager of Dixie Pellets, LLC, has executed this instrument as of the 13th day of September, 2009.

MANAGER:

HARBERT DP LLC

By: 

Name: Patrick E. Molony

Its: Executive Vice President and Secretary